

STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

Wilderness Conference Room, 2401 Colonial Drive
Helena, Montana

April 23, 2014

SEGBAC Council Present

Chairman: Karen Wood, Acting Administrator, Health Care and Benefits Division
Member: Erin Ricci, Admin. Asst., Department of Natural Resources & Conservation
Member: John McEwen, Representative, State of Montana Retirees
Member: Quint Nyman, Montana Public Employees' Association
Member: Beth McLaughlin, Administrator, Supreme Court
Member: Duane Preshinger for Mary Dalton, Branch Manager, DPHHS, Medicaid and Health Services Branch
Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments
Member: Christopher Abbott, Office of Public Defender
Member: Amy Sassano, Assistant Budget Director, Office of Budget and Program Planning
Member: Senator Jim Keane
Member: Kelly DaSilva, Human Resource Director, Legislative Services Division

Staff

John Thomas, Senior Health Officer
Amber Godbout, Attorney
Charlotte Hafer, Customer Service Assistant
Lance Zanto, Bureau Chief, Workers' Compensation Management

Kelly Grebinsky, FSA, Principal, Actuaries Northwest
Nancy Schultz, Senior Account Manager, Cigna
Jimmie Barnwell, Director Clinical Operations, CareHere
Jim Dole, Account Executive, Delta Dental
Mark Eichler, MAHCP Pharmacy Director

Guests

Collette Hanson, BCBS
Kris Wilkinson, Legislative Fiscal Division
Stephanie Grover, HCBD
Julaine Beatty, HCBD
Lynn Withrow, Cigna

Ginger MacDonald, BCBS
Leslie Bergman, Legislative Services
Joe Hamilton, HCBD
Amanda Burkhardt, HCBD
Brad Baker, Cigna

Call to Order & Old Business

Karen Wood called the meeting to order at 8:32 AM. She announced a couple of agenda change items. Lance will go before Kelly's report since he has a family function to attend to. Kelly will be presenting Amber Thorvilson's part since she had a conflict as well.

Karen called for approval of the minutes from the January 22, 2014 meeting. Senator Keane would like the letter that was presented to the committee be made part of the minutes and the name of the legislators who signed the letter. John McEwen moved to approve the corrected minutes. Erin Ricci seconded the motion. Motion passed.

Workers' Compensation Update/Retention Returns

Lance gave his update in a [power point](#). He pointed out the new logo. He gave examples of how being injured affects an employee's pay. He went over the wage loss for fiscal year 2013 and the beginning of 2014. In fiscal year 2013, there were 216 injured workers. Of those, 213 returned to work. So far in 2014, there have been 179 injured and 136 have returned to work and 26 people are in progress. This just shows that the return to work program is working. Slips, trips, and falls are the number one cause of injury and backs are injured the most. The five year trend is going down in cost. The total savings is \$33 million.

Plan Financial Performance

Kelly Grebinsky, with Actuaries Northwest Inc, gave his report in a [power point presentation](#). He reported that the fourth quarter had a loss of \$4.7 million. The plan pays more as deductibles are being met. The first quarter of 2014 has been rough. We are looking into factors as to why. The medical trend for the year is 6.4%, 2.4% for pharmacy and dental is 10.2%. The health center claims are included in medical claims.

Kelly went over the large claims for 2013. In 2013, there were 144 claims over \$100,000. That is up from 139 in 2012. There were no claims over \$750,000 in 2013. The loss ratio by group is as follows for Active employees is 88.8%, non-Medicare is 136.7%, and Medicare is 102.0% for a total loss ratio of 92.7%. That is compared with a total loss ratio from 2012 of 91.4%

Looking at the funding for the next couple of years, Kelly pointed out that 2013 was a breakeven year. 2014 is a projected loss based on the data through 2013. With everything the same, plan year 2015 and 2016 are showing a loss.

Kelly went over some analytics with regard to the health center. The health center in Helena has been open for a year. They provide primary care. In Helena, the health center had 25,000 visits. The diagnoses most seen at the health center are asthma, COPD, Diabetes, and heart disease.

The cost savings with the health center is about \$3 million. That is \$1.6 million in savings to our members and \$1.3 million in savings to the plan.

The health screenings in 2013 was significantly higher than in 2012. There were over 12,000 people screening in all the health centers and the health screening events around the state.

Nancy Schultz introduced Brad Baker as the New Manager North West. Lynn Withrow will be retiring May 2.

Nancy went over the fourth quarter report from Cigna in a [power point](#). She stated that the norm used for comparison is other public entities. She went over the catastrophic claim summary. She pointed out the top 25 claims. These include cancers and musculoskeletal. She pointed out that Cigna has Cancer Care Support. Their main duties help a person affected with cancer with questions, look for resources in Montana, etc. The support is also for the families. The Cancer Care Support follows patients through the process. Nancy also talked about the specialty case management.

Senator Keane brought up that he hears a lot of stuff where Cigna isn't doing what they should be doing. He would like the letter addressed that was in the last meeting. Russ addressed all of those concerns in a letter that was submitted to the committee. Nancy addressed that surveys are being conducted and there is satisfaction with Cigna. The survey is conducted by an independent third party. Karen mentioned that this topic is on the agenda and will be discussed later in the meeting.

Nancy went over the Your Health First Disease Management Programs. These programs give information to members for behavioral changes. Participation is completely voluntary. In calendar year 2013, 36% of the population has a condition; however, 21% of the population has been identified for outreach in the current period. Of those identified, 31% are currently working in the program.

MT Health Center Update

Jimmie Barnwell gave an update on the Health Centers. He presented his report in a [power point](#). Jimmie talked about the Chronic Disease management program. They are looking at doing specific programs for high utilizers. This would be more intensive outpatient medical management. There will be more information by the next data summit.

Missoula is close to be open. This will be the fourth across the state. The health center will open May 27 with the grand opening May 29. It is located at the Montgomery building in suite 202. They are in the process of remodeling the space right now.

Jimmie went over the health screening participation. There have been 7,200 employee health screenings. This includes the health centers and the traveling sites. They are finding high cholesterol and hypertension. Last year there were 12,352 contacts made and 1,700 unique people.

Delta Dental Update

Jim Dole gave the update on Delta Dental in a [power point](#). The enrollment for 2013 is 15,189 people. There are two plans the basic plan which 17% of the members are on and the premium plan and 83% of the members are on this plan. The total expense summary is \$7.4 million in claims. Jim reported that 70% of the members are using an in-network provider. This calculated into a \$1.9 million in savings by using in-network providers. 70% of the services are diagnostic and preventive services.

URx Update

Mark Eichler, Pharmacy Director with MAHCP gave the URx update. He gave his report in a [power point](#). He reported that this is raw data without subsidies or rebates. There was \$29 million in drug claims in 2013. The trend for prescriptions from 2012-2013 was 6%. This does not include specialty medications. Specialty spends 27.6% of the total cost.

Data Summit Update

Karen gave an update from the data summit. All the vendors came together with their reports. Now that there is a full year's worth of data, the time has come to start taking action on the findings. The focus is going to change to where it needs to be. For example oncology claims. HCBF is going to work with Cigna and CareHere to evaluate what can be done. We are going to partner with people to get better outcomes at different facilities. Another example is orthopedics.

2014 Incentive Program Update

Karen went over the [handout and the discount](#). She also went over the Governor's Stay Active Challenge that kicks off April 24 but officially begins April 28.

HCBD Update

Karen introduced Amanda Burkhart as the new communications manager replacing Paige Tabor who is now with DNRC. She also introduced Julaine Beatty who is the new Employee Assistance Program Manager.

Member Letter Response

Russ did a response from the letter that was received the last SEGBAC meeting. He did an extensive investigation into the concerns brought forth. Members had to adjust to a new vendor when the switch to Cigna occurred. This plan is self-funded and we need to be financially sound. HCBD works closely with Cigna to address the concerns and issues. John has copies of the response if anyone wants it.

Public Comment

Karen asked for any public comment. There was no public comment.

Karen asked for a motion to adjourn. Chris moved to adjourn. Senator Keane seconded the motion. Motion passed. Meeting adjourned at 1:08 pm.